



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-943, C-570-944]

### **Oil Country Tubular Goods from the People's Republic of China: Final Affirmative Determinations of Circumvention**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) determines that imports of welded oil country tubular goods (OCTG) completed in Brunei or the Philippines using inputs manufactured in the People's Republic of China (China) are circumventing the antidumping and countervailing duty orders on OCTG from China.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Yang Jin Chun or John Drury, AD/CVD Operations Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5760 and (202) 482-0195, respectively.

### **SUPPLEMENTARY INFORMATION:**

#### Background

On August 10, 2021, Commerce published the preliminary affirmative determinations of circumvention of the antidumping and countervailing duty orders on welded OCTG from China.<sup>1</sup> In the *Preliminary Determinations*, Commerce extended the deadline for the final determinations of these circumvention inquiries to October 28, 2021.<sup>2</sup> On October 18, 2021, Commerce

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<sup>1</sup> See *Oil Country Tubular Goods from the People's Republic of China: Preliminary Affirmative Determinations of Circumvention*, 86 FR 43627 (August 10, 2021) (*Preliminary Determinations*).

<sup>2</sup> *Id.* at 43629.

extended the deadline for the final determinations of these circumvention inquiries to November 19, 2021.<sup>3</sup>

We received case and rebuttal briefs with respect to the *Preliminary Determinations*. We conducted these circumvention inquiries in accordance with section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.225(h).

#### Scope of the Orders

The products covered by the orders are certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish. A full description of the scope of the orders is contained in the Issues and Decision Memorandum.<sup>4</sup> The written description is dispositive.

#### Scope of the Circumvention Inquiries

These circumvention inquiries cover welded OCTG completed in Brunei or the Philippines using inputs manufactured in China and subsequently exported from Brunei or the Philippines to the United States.<sup>5</sup>

#### Methodology

Commerce is conducting these circumvention inquiries in accordance with section 781(b) of the Act and 19 CFR 351.225(h). For a full description of the methodology underlying Commerce's final determinations, *see* the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a

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<sup>3</sup> See Memorandum, "Oil Country Tubular Goods from the People's Republic of China: Extension of Deadline for Final Determinations of the Anti-Circumvention Inquiries of the Antidumping and Countervailing Duty Orders," dated October 18, 2021.

<sup>4</sup> See Memorandum, "Oil Country Tubular Goods from the People's Republic of China: Issues and Decision Memorandum for Final Affirmative Determinations of Circumvention," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum) at 2-3.

<sup>5</sup> See *Preliminary Determinations*, 86 FR 43628.

complete version of the Issues and Decision Memorandum can be accessed directly at

<https://access.trade.gov/public/FRNoticesListLayout.aspx>.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in these inquiries are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as an appendix. Based on our analysis of the comments received, we made a change to the *Preliminary Determinations*.

#### Final Affirmative Determinations

As detailed in the Issues and Decision Memorandum, we determine that welded OCTG assembled or completed in Brunei or the Philippines using inputs manufactured in China and subsequently exported from Brunei or the Philippines to the United States are circumventing the antidumping and countervailing duty orders on OCTG from China. Therefore, we determine that it is appropriate to include this merchandise within the scope of the antidumping and countervailing duty orders of OCTG from China and to instruct U.S. Customs and Border Protection (CBP) to continue to suspend any entries of merchandise produced using Chinese inputs in Brunei or the Philippines and exported to the United States.

#### Continued Suspension of Liquidation

In accordance with 19 CFR 351.225(l)(3), based on these final determinations in these circumvention inquiries, Commerce will direct CBP to continue to suspend liquidation and to require a cash deposit of estimated duties on unliquidated entries of welded OCTG completed in Brunei or the Philippines using inputs manufactured in China, subsequently exported from Brunei or the Philippines to the United States, and entered, or withdrawn from warehouse, for consumption on or after November 12, 2020, the date of publication of the notice of initiation of these circumvention inquiries.<sup>6</sup> The suspension of liquidation will remain in effect until further

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<sup>6</sup> See Issues and Decision Memorandum at Comment 5; see also *Oil Country Tubular Goods from the People's Republic of China: Self-Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 85 FR 71877 (November 12, 2020).

notice. As we explained in the *Preliminary Determinations*,<sup>7</sup> Commerce will instruct CBP to require antidumping duty cash deposits equal to the rate established for the China-wide entity, *i.e.*, 99.14 percent,<sup>8</sup> and countervailing duty cash deposits equal to the current all-others rate, *i.e.*, 27.08 percent.<sup>9</sup>

Welded OCTG assembled or completed in Brunei or the Philippines using non-Chinese inputs is not subject to these circumvention inquiries. However, because the mandatory respondents are unable to track welded OCTG to the country of origin of inputs used in the production of welded OCTG,<sup>10</sup> Commerce did not implement a certification process at the preliminary stage and required cash deposits on all entries of welded OCTG produced in Brunei or the Philippines.<sup>11</sup> We invited parties to comment on this issue in their case briefs and we received comments from the mandatory respondents on this issue. For the final determinations, we will not implement a certification process for welded OCTG already suspended,<sup>12</sup> and we will require cash deposits on all entries of welded OCTG produced in either Brunei or the Philippines, with a slight modification from the *Preliminary Determinations*.<sup>13</sup> However, producers and/or exporters in Brunei or the Philippines may request reconsideration of our denial of the certification process in a future segment of the proceeding, *i.e.*, a changed circumstances review or administrative review.<sup>14</sup>

#### Administrative Protective Order

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<sup>7</sup> See *Preliminary Determinations*, 86 FR 43628.

<sup>8</sup> See *Oil Country Tubular Goods from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2017-2018*, 84 FR 32125, 32126 (July 5, 2019).

<sup>9</sup> See *Oil Country Tubular Goods from the People's Republic of China: Notice of Court Decision Not in Harmony With the Amended Final Determination of the Countervailing Duty Investigation*, 82 FR 25770 (June 5, 2017).

<sup>10</sup> See, *e.g.*, HLDS (B) Steel Sdn. Bhd.'s Letter, "HLDSB Initial Questionnaire Response," dated March 16, 2021 at 25; and HLD Clark Steel Pipe Co., Inc.'s Letter, "HLD Clark Initial Questionnaire Response," dated March 16, 2021 at 26.

<sup>11</sup> See *Preliminary Determinations*, 86 FR 43628.

<sup>12</sup> See Issues and Decision Memorandum at Comment 4.

<sup>13</sup> *Id.* at Comment 5.

<sup>14</sup> See, *e.g.*, *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Determination of Anti-Circumvention Inquiry*, 85 FR 9737, 9739 (February 20, 2020) ("However, Protech may request reconsideration of our denial of the certification process in a future segment of the proceeding, *i.e.*, a changed circumstances review or administrative review."); see also *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 85 FR 86905 (December 31, 2020) ("... Protech is eligible to participate in a certification process because Protech has demonstrated that it can identify diamond sawblades that it produced in Canada using non-Chinese cores and Chinese segments.").

This notice will serve as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

These final affirmative determinations of circumvention are issued and published in accordance with section 781(b) of the Act and 19 CFR 351.225(f).

Dated: November 19, 2021.

**Ryan Majerus,**  
*Deputy Assistant Secretary  
for Policy and Negotiations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.*

## **Appendix**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
  - II. Background
  - III. Scope of the Orders
  - IV. Scope of the Circumvention Inquiries
  - V. The Period of Inquiries
  - VI. Discussion of the Issues
    - Comment 1: Production of Hot-Rolled Steel vs. Production of OCTG
    - Comment 2: Production Processes
    - Comment 3: Appropriateness of Finding Circumvention
    - Comment 4: Certification Eligibility
    - Comment 5: Effective Date of Suspension of Liquidation
  - VII. Recommendation
- [FR Doc. 2021-25832 Filed: 11/24/2021 8:45 am; Publication Date: 11/26/2021]